App. F. IX-4

Previous References

1930.
(G.1)

File No. 6-30
Serial Nos. ~~6875~~ 75

Later References

PRESERVED

General and Revenue Secretariat.

Serial Nos. Come

Part B for Number 90

SUBJECT.

Investment of Fixed deposits of Mrs. Sakamma in the New Loans.

68

P-8 (E)

31/12/30

G.2 6.30 75 (1

U.O.No. 1544 /S.L. Dated: 17th October 1930.

Rec'd 18/10

Fixed Deposit Receipts amounting to Rs. 1.05.700/- of the Banks other than those mentioned in the loan notification have been received as shown in the margin from Srimathi D. Sakamma, Messrs. Croft & Forbes and a few depositors in the Bangalore Bank, Ltd, Bangalore, towards subscription to the new loans. Before approaching Government, I addressed the concerned Banks asking them if they are agreeable to pay to me on maturity the principal and interest and in the meanwhile to note my lien on the deposits. The Banks have all generally replied in the affirmative but the Indian Bank, Ltd, Madras, the Hindustan Bank, Ltd, Madras and the Bangalore Bank, Ltd, Bangalore, have intimated that the payment will be made subject to the conditions -

(a) that the depositor does not in the meanwhile cancel his instructions,

(b) that no adverse claims which could be enforced legally are set up against the deposits before maturity, and

(c) that the party is alive.

I enclose herewith copies of letters received from them.

It seems to me that as the deposit receipts are not negotiable, these objections hold good in the case of all deposits including those of the Bank of Mysore, Ltd, which we are accepting under the provisions contained in the notification.

As the parties in these cases are agreeable for the new loan bonds being held by me under trust till the deposits mature and I receive payment, I propose to accept these deposits and similar

Bank of Hindustan, Madras.	10,000.
Indian Bank, Madras.	40,200.
Central Urban Bank, Madras.	18,000.
Chittoor District Cooperative Central Bank.	10,500.
Bangalore Bank.	27,000.
	1,05,700. ✓

I am agreeable to the proposal at A - I presume there is no legal objection -
Re B, I am not for intervening any change in the Notification terms, according to which we are accepting Mysore Bank Deposits which are due to mature upon a specified date -
With this reservation, the arrangements referred to at A may be adopted in accepting other Mysore Bank deposits -

3rd Member
Dewan then
L-R -

18.10.30.

A

RD 21/10/30

similar ones that may be received by me in the near future subject to the above condition, namely, that the new loan bonds will be delivered only after receipt of payment.

I request very early orders of Government as regards this proposal and whether I should adopt a similar procedure in the case of the deposits in the Bank of Mysore, Ltd, also. For some fixed deposit receipts of the Mysore Bank, already received bonds have been issued and delivered to the parties. I am afraid that it is not possible to do anything now in regard to them. However, the risk of loss in their case - is I think very remote.

Comptroller.

To

The Financial Secretary to
Government, with compliments.

S.S.

(3

Letter No.26/293 dated 4-10-1930 from the Assistant Secretary, Bank of Hindustan, Ltd, Madras, to the Comptroller in Mysore, Bangalore.

With reference to your letter No.1281/S.L. dated 30th September, we return herewith the fixed deposit receipt of this Bank No.S.617 dated 21st July 1930 for Rs.10,000/- (Rupees ten thousand) in the name of Srimati D. Sakamma guardian to the minors D. Siddanna, Chikanna, Chikkabasappa, Daddabasappa, Chinnabasappa, and Sivappa, and repayable on 21st July 1932 with your lien duly registered in our books unless barred by law. We have also received a letter of authority addressed to us by Srimati D. Sakamma and note to pay the deposit on maturity with accrued interest from 21st July 1930 to you direct. Kindly acknowledge receipt of the enclosure of this letter.

"Copy".

D. Lakshminarasimhaiyya
Superintendent, S.L. Section.

17.10.30

(4

Letter No.A.26/785 dated 4-10-1930 from the Secretary, Indian Bank, Ltd, Madras, to the Comptroller in Mysore, Bangalore.

We are in receipt of your letter No.1281/S.L. of the 30th ultimo with enclosures.

Your lien on the deposits has been noted in our books, and the amounts will be paid to you as and when they fall due provided:-

1. that the depositor does not in the meanwhile countermand her instructions as per her letter dated 24th September 1930,

2. that no adverse claims are set up to the deposits, in which case the lien cannot be enforced,

The six deposit receipts are returned herewith, receipt of which please acknowledge.

On F.D.R./ts Nos.18884, 19826, 20725, 20265, & 20415 interest is payable from the date of the deposits to the date of maturity and on F.D.R./t No.17379 it is payable from 31-12-29 to its due date.

"Copy".

D. Lakshminarasimhaiyya

17-10-30 Superintendent, S.L. Section.

(5

Letter No.140/2243 dated 13-10-1930 from the Agent, Bangalore Bank, Ltd, to the Comptroller in Mysore, Bangalore.

Your letter No.1438/S.L. of the 10th inst., enclosing three fixed deposit receipts and asking us to note your lien thereon.

The receipts not being transferable we are unable to register your lien on them. As stated in our letter of the 23rd ultimo we will pay you the amount of the deposits with accrued interest on due dates on presentation of the receipts with Mr. Ramiah's letters provided he is alive and his instructions are not cancelled by then.

The three deposit receipts are returned herewith receipt of which please acknowledge.

"Copy".

D. Lakshminarasimhaiya

Superintendent, S.L. Section.

17-10-30

Serial No.

114

Law

The deposits in question though not negotiable are certainly assignable as chose in action. If they are validly assigned by means of proper documents in favour of the Comptroller the depositor cannot afterwards have any power over the amounts in question and the Banks concerned can have no legal objection to treat the Comptroller thenceforward as their depositor.

The proposal of the Comptroller to take the deposit receipts without getting them properly assigned over according to law and to issue loan bonds and hold them under trust till the deposits mature and payments are received thereon, is one which is very likely to involve risks and also an amount of uncertainty. For one thing, it will not be binding on the Banks concerned to recognise the Comptroller's lien over the deposits. The rights of the Comptroller may also be easily defeated by other creditors of the depositor at the time of maturity I do not therefore think that the arrangement suggestedby the Comptroller can be adopted with safety.

D. M. 21/10

Mr BVU

Agree with compts

To Comptroller with compliments

21/10/30

Earl of Willingdon

Earl 21.10.30

Earl of Willingdon

COMPTROLLER'S OFFICE 212 Spl 21 OCT 1930 BANGALORE.

CWD 02553—G D&C—50,000—8-7-30

Serial No.

U.O.No. 1728/S.L. Dated: 28th October 1930.

1. Returned with compliments.

2. By saying that the bonds will be held in safe custody I mean that they will be issued only in the name of the Comptroller and will not be delivered to the applicants until the amounts of the fixed deposit receipts are realised by us. Even the broken and advance interest cheques will not be issued until the amount is realised. The case would be as if these applications were taken into consideration only after we receive payment. If for any reason we are unable to encash the fixed deposit receipts the bonds will not be issued to the parties and we would be running no risk.

3. To initiate further correspondence regarding taking proper documents, etc., would involve considerable delay and inconvenience to the subscribers. If the formal deed of assignment is to be stamped and the stamp duty is to be paid by the parties, on an "ad Valorem" basis, it would constitute a heavy penalty on them. Further, the period of the loan is coming to a close very shortly and there is no likelihood of any more fixed deposit receipts being either offered or accepted.

4. Under these circumstances, I may be allowed to retain the Fixed Deposit Receipts of the Banks already received for conversion subject to the conditions stated and deal with them as suggested.

S.S. 28.10.30.

Comptroller. 28/10

DEWAN'S OFFICE 2425 29. OCT. 1930

OFFICE OF THE THIRD MEMBER OF COUNCIL. 29 OCT. 1930 1321

NOTE—Contn. Sheet.

To the comptroller with compliments for note & return.

29.10

A. The suggestion with the limitations noted may be approved

30 (mention) Dewan

25.10.30

25.10.30

WD 02553—G PB—50,000—8 7 30

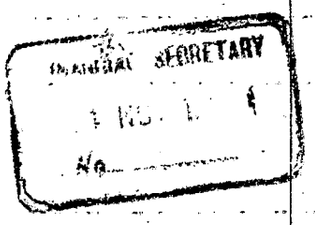
General and Revenue Secretariat

~~97~~ File No. 1822/28 6 of 1930.

App. F. III—2] (8)

Serial No.

U.O.No. 1860 /S.L. Dated: 3-11-1930.



Noted and returned, with compliments.

Comptroller. 3/11/30

3/11/30 GP SEC

4.11.30

B

NOTE—Contn. Sheet

WD 02553--50,000—GPB—8-7 30